

**Moore, Jerrie L**

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**From:** Bowman, Thomas  
**Sent:** Tuesday, May 22, 2007 6:51 PM  
**To:** Moore, Jerrie L  
**Cc:** Smith, Joe H  
**Subject:** RE: Administrative Regulations Comments  
**Attachments:** 571.12Rewrite.doc

Jerrie:

In response to the comments from the Tulalip Tribes, attached is a suggested rewrite of proposed 571.12 addressing the concern about differentiating between audit and review, and clarifying that financial statement consolidation and review engagements are options, not requirements.

*Thomas A. Bowman  
Field Auditor II, Region IV  
National Indian Gaming Commission*

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**From:** Smith, Joe H  
**Sent:** Friday, May 18, 2007 6:46 AM  
**To:** #Auditors  
**Cc:** Moore, Jerrie L  
**Subject:** FW: Administrative Regulations Comments

Because your knowledge of the regulated environment spans the entire scope of gaming activity and because many of you have experience and knowledge of what we would consider to be "generally accepted gaming regulatory standards", your critique of the proposed regulations is needed. Likewise, please do not hesitate to soliciting input from practitioners seasoned in the conduct of gaming audits.

Attached are comments received from gaming tribes. With regard to those comments/revisions that you have an expertise/interest, your analysis would be appreciated.

Please submit your comments to Jerrie Moore.

Thanks,  
Joe

-----Original Message-----

**From:** Moore, Jerrie L  
**Sent:** Thursday, May 17, 2007 1:34 PM  
**To:** Saiz, Elaine T.; Smith, Joe H; Gross, Michael  
**Cc:** Lyons, Carrie  
**Subject:** FW: Administrative Regulations Comments

5/17/07

See attached admin reg comments.

Jerrie

5/23/2007

§ 571.12 Audit Standards.

- (a) Each tribe shall prepare comparative financial statements covering all financial activities of each of the tribe's class II and class III gaming locations for each business year on Indian lands.
- (b) A tribe shall engage an independent certified public accountant to provide an annual audit of the financial statements of each casino location. The independent certified public accountant must be licensed by a state board of accountancy or other equivalent licensing board. The annual audit will be performed in accordance with generally accepted auditing standards and consistent with the auditing standards applicable for the gaming location. The annual audit requirement is satisfied by either of the following conditional options:
  - (1) The tribe may choose to engage an independent certified public accountant to complete a review of the financial statements, as defined in Generally Accepted Accounting Principles, if:
    - i. A tribal gaming location has assessable gross revenues of less than \$1,000,000 during the prior fiscal year, or the tribe chooses to consolidate the financial statements of multiple gaming locations and each location has assessable gross revenues of less than \$1,000,000 during the prior fiscal year;
    - ii. The financial statements for the three (3) previous years were received by the NIGC within one hundred and twenty (120) days as required by regulation, unless this requirement is waived in writing by the NIGC;
    - iii. Both the Tribe and the Tribal Gaming Regulatory Authority submit a statement supporting the decision for reviewed financial statements in place of audited financial statements.
  - (2) The tribe may choose to consolidate the financial statements of multiple gaming locations if:
    - i. The consolidated financial statements include consolidating schedules for each location;
    - ii. The financial statements for the three (3) previous years were received by the NIGC within one hundred and twenty (120) days as required by regulation, unless this requirement is waived in writing by the NIGC;
    - iii. Both the tribe and the Tribal Gaming Regulatory Authority submit a statement supporting the decision for consolidated financial statements in place of financial statements for each location;
    - iv. The independent certified public accountant attests to the consolidated financial statements as a whole; and
    - v. The independent certified public accountant subjects the accompanying consolidating financial information to the auditing procedures applicable to the audit of consolidated financial statements, or for a review engagement subjects the accompanying consolidating financial information to the review procedures applicable to the review of consolidated financial statements.